# EIGHTY-SEVENTH GENERAL ASSEMBLY 2018 REGULAR SESSION DAILY HOUSE CLIP SHEET

# March 1, 2018

# **Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
HF 2234	<u>H-8148</u>	Filed	MEYER of Polk
HF 2303	<u>H-8146</u>	Filed	McKEAN of Jones
<u>HF 2372</u>	<u>H-8144</u>	Filed	HUNTER of Polk
HF 2397	<u>H-8151</u>	Filed	WOLFE of Clinton
<u>HF 2421</u>	<u>H-8143</u>	Filed	BALTIMORE of Boone
HF 2423	<u>H-8147</u>	Filed	NUNN of Polk
HF 2446	<u>H-8142</u>	Filed	PETTENGILL of Benton
HF 2455	<u>H-8149</u>	Filed	STAED of Linn
<u>SF 475</u>	<u>H-8145</u>	Filed	PETTENGILL of Benton
<u>SF 2177</u>	<u>H-8150</u>	Filed	NUNN of Polk

# **Fiscal Notes**

 $\frac{\mathsf{HF}\ 2343}{\mathsf{(LSB5734HV.1)}}$  — Statutory Construction, Explicit Delegation of Authority

- 1 Amend House File 2234 as follows:
- By striking page 1, line 33, through page 2, line 8.
- Page 4, by striking lines 10 and 11 and inserting
- 5 if the petition includes a waiver of deficiency>
- 6 3. Page 4, line 12, after <judgment.> by inserting
- 7 <During the first three months, the mortgagee shall engage
- 8 in reasonable efforts to resolve the debt without completing
- 9 foreclosure, by engaging with the mortgagor in mediation
- 10 in accordance with section 654.4B and negotiating the
- ll possibilities of allowing the mortgagor to mitigate the
- 12 mortgagor's debt and reaching an agreement with the mortgagor
- 13 to modify the mortgage instrument. After the first three
- 14 months, the mortgagee shall file with the court an affidavit
- 15 of good faith attesting that the mortgagee has engaged in
- 16 reasonable efforts to resolve the debt without completing
- 17 foreclosure. If, upon review of the affidavit, the court finds
- 18 that the mortgagee engaged in reasonable efforts to resolve the
- 19 debt and the period of redemption has passed, the mortgaged
- 20 real property may proceed to sale.>
- 21 4. By renumbering as necessary.

By MEYER of Polk

H-8148 FILED FEBRUARY 28, 2018

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- 1 Amend House File 2303 as follows:
- 2 l. Page 2, after line 14 by inserting:
- 3 <Sec. . Section 455D.1, Code 2018, is amended by adding
- 4 the following new subsection:
- 5 NEW SUBSECTION. 5A. "Scrap metal" means any ferrous or
- 6 nonferrous metal suitable for reprocessing into a viable market
- 7 commodity grade specification.>
- 8 2. Page 4, after line 10 by inserting:
- 9 <9. Scrap metal as defined in section 455D.l is not subject
- 10 to the provisions of this section.>
- 3. By renumbering as necessary.

By McKEAN of Jones

H-8146 FILED FEBRUARY 28, 2018

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- 1 Amend House File 2372 as follows:
- 2 l. Page 2, by striking lines 4 through 6 and inserting
- 3 < "qualifying county" means a county that elects supervisors
- 4 under plan "three">

By HUNTER of Polk

H-8144 FILED FEBRUARY 28, 2018

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- 1 Amend House File 2397 as follows:
- 2 1. Page 1, after line 25 by inserting:
- 3 <Sec. \_\_\_. <u>NEW SECTION</u>. **901C.3 Simple misdemeanor** —

# 4 expungement.

- 5 l. Upon application of a defendant convicted of a simple
- 6 misdemeanor, the court shall enter an order expunging the
- 7 record of such criminal case as a matter of law if the court
- 8 finds the defendant has established either of the following:
- 9 a. More than five years have passed since the date of the
- 10 conviction, the defendant has not been subsequently convicted
- 11 of or granted a deferred judgment for any criminal offense,
- 12 and the defendant is not currently charged with any criminal
- 13 offense.
- 14 b. More than ten years have passed since the date of the
- 15 conviction, the defendant has not been subsequently convicted
- 16 of or granted a deferred judgment for a felony offense, and the
- 17 defendant is not currently charged with any criminal offense.
- 18 2. This section shall not apply to a conviction that is a
- 19 conviction for a misdemeanor crime of domestic violence, or a
- 20 simple misdemeanor conviction entered under section 123.46,
- 21 123.47, subsection 3, or 708.2A, or chapter 321 or 321J.
- 22 3. An expungement entered under this section shall not
- 23 be considered an expungement for purposes of 18 U.S.C.
- 24 §921(a)(33)(B)(ii) or section 724.26, and shall not provide
- 25 relief from any state or federal firearm disability associated
- 26 with the expunged conviction.
- 27 4. Notwithstanding section 692.2, after receipt of
- 28 notice from the clerk of the district court that a record of
- 29 conviction has been expunged, the record of conviction shall be
- 30 removed from the criminal history data files maintained by the
- 31 department of public safety, if such a record is maintained in
- 32 the criminal history data files.>
- 33 2. Title page, lines 1 and 2, by striking <the admissibility</p>
- 34 of evidence of an employee's> and inserting <a person>
- 35 3. Title page, line 2, by striking <in civil actions>

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# H-8151 (Continued)

1 4. By renumbering as necessary.

By WOLFE of Clinton

H-8151 FILED FEBRUARY 28, 2018

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- 1 Amend House File 2421 as follows:
- 2 l. Page 3, by striking lines 30 and 31 and inserting:
- 3 <Sec. \_\_\_. EFFECTIVE DATE. This Act takes effect January
- 4 1, 2020.
- 5 Sec. . APPLICABILITY. This Act applies January 1, 2020,
- 6 to estates of descendants dying on or after that date.>
- 7 2. Title page, line 2, after <including> by inserting
- 8 <effective date and>
- By renumbering as necessary.

By BALTIMORE of Boone

H-8143 FILED FEBRUARY 28, 2018

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- 1 Amend House File 2423 as follows:
- 2 1. By striking page 4, line 1, through page 5, line 23, and
- 3 inserting:
- 4 <Sec. . EFFECTIVE DATE. This Act, being deemed of
- 5 immediate importance, takes effect upon enactment.>
- 6 2. Title page, lines 2 and 3, by striking <personal</p>
- 7 information security breach protection> and inserting
- 8 <including effective date provisions>
- By renumbering as necessary.

By NUNN of Polk

H-8147 FILED FEBRUARY 28, 2018

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- 1 Amend House File 2446 as follows:
- 2 1. Page 2, after line 10 by inserting:
- 3 <Sec. . Section 476.1, subsections 4 and 6, Code 2018,
- 4 are amended by striking the subsections.>
- 5 2. Page 2, by striking lines 17 and 18 and inserting
- 6 <sections 476.11, 476.29, 476.95, 476.96, 476.100, 476.101,
- 7 476.95A, 476.95B, and 476.102.>
- 8 3. Page 2, by striking lines 19 through 34 and inserting:
- 9 <Sec. . Section 476.1D, subsection 4, Code 2018, is
- 10 amended to read as follows:
- 11 4. Upon deregulation, all investment, revenues, and
- 12 expenses associated with the service or facility shall be
- 13 removed from the telephone utility's regulated operations and
- 14 shall not be considered by the board in setting rates for the
- 15 telephone utility unless they continue to affect the utility's
- 16 regulated operations. If the board considers investment,
- 17 revenues, and expenses associated with unregulated services
- 18 or facilities in setting rates for the telephone utility, the
- 19 board shall not use any profits or costs from such unregulated
- 20 services or facilities to determine the rates for regulated
- 21 services or facilities. This section does not preclude the
- 22 board from considering the investment, revenues, and expenses
- 23 associated with the sale of classified directory advertising
- 24 by a telephone utility in determining rates for the telephone
- 25 utility.
- Sec. . Section 476.1D, subsection 10, Code 2018, is
- 27 amended by striking the subsection.>
- 28 4. Page 3, after line 1 by inserting:
- 29 <Sec. . Section 476.6, subsection 2, Code 2018, is
- 30 amended to read as follows:
- 31 2. Written notice of increase. All public utilities,
- 32 except those exempted from rate regulation by section 476.1
- 33 and telecommunications service providers registered pursuant
- 34 to section 476.95A, shall give written notice of a proposed
- 35 increase of any rate or charge to all affected customers served

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- 1 by the public utility no more than sixty-two days prior to
- 2 and prior to the time the application for the increase is
- 3 filed with the board. Public utilities exempted from rate
- 4 regulation by section 476.1, except telecommunications service
- 5 providers registered pursuant to section 476.95A, shall give
- 6 written notice of a proposed increase of any rate or charge to
- 7 all affected customers served by the public utility at least
- 8 thirty days prior to the effective date of the increase. If
- 9 the public utility is subject to rate regulation, the notice
- 10 to affected customers shall also state that the customer has a
- 11 right to file a written objection to the rate increase and that
- 12 the affected customers may request the board to hold a public
- 13 hearing to determine if the rate increase should be allowed.
- 14 The board shall prescribe the manner and method that the
- 15 written notice to each affected customer of the public utility
- 16 shall be served.>
- 17 5. Page 3, after line 3 by inserting:
- 18 <Sec. . Section 476.9, subsections 1, 2, and 3, Code
- 19 2018, are amended to read as follows:
- 20 1. Every public utility, except telecommunications service
- 21 providers registered pursuant to section 476.95A, shall keep
- 22 and render to the board in the manner and form prescribed by
- 23 the board uniform accounts of all business transacted.
- 24 2. Every public utility engaged directly or indirectly in
- 25 any other business than that of the production, transmission,
- 26 or furnishing of heat, light, water, or power, or the
- 27 collection and treatment of sanitary sewage or storm water, or
- 28 the furnishing of communications services to for the public
- 29 shall, if required by the board, keep and render separately
- 30 to the board in like manner and form the accounts of all such
- 31 other business, in which case all the provisions of this
- 32 chapter shall apply to the books, accounts, papers and records
- 33 of such other business and all profits and losses may be taken
- 34 into consideration by the board if deemed relevant to the
- 35 general fiscal condition of the public utility.

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- 1 3. Every public utility, except telecommunications service
- 2 providers registered pursuant to section 476.95A, is required
- 3 to keep and render its books, accounts, papers and records
- 4 accurately and faithfully in the manner and form prescribed
- 5 by the board, and to comply with all directions of the board
- 6 relating to such books, accounts, papers and records.>
- 7 6. Page 3, after line 30 by inserting:
- 8 <Sec. . Section 476.20, Code 2018, is amended by adding
- 9 the following new subsection:
- 10 NEW SUBSECTION. 6. This section shall not apply to
- 11 telecommunications service providers registered pursuant to
- 12 section 476.95A.>
- 7. Page 4, after line 26 by inserting:
- 14 <Sec. . Section 476.54, Code 2018, is amended to read as</pre>
- 15 follows:
- 16 476.54 Delayed payment charges.
- 17 A public utility shall not apply delayed payment charges
- 18 on a customer's account if the scheduled payment was made by
- 19 the customer within twenty days from the date the billing was
- 20 sent to the customer. Delayed payment charges on a customer's
- 21 account shall not exceed one and one-half percent per month
- 22 of the past-due amount. This section shall not apply to
- 23 telecommunications service providers registered pursuant to
- 24 section 476.95A.
- 25 Sec. . Section 476.95, Code 2018, is amended by striking
- 26 the section and inserting in lieu thereof the following:
- 27 476.95 Internet protocol-enabled service and voice over
- 28 internet protocol service regulation.
- 29 l. For purposes of this section:
- 30 a. "Internet protocol-enabled service" means any service,
- 31 capability, functionality, or application that uses internet
- 32 protocol or any successor protocol and enables an end user
- 33 to send or receive voice, data, or video communications in
- 34 internet protocol format or a successor format.
- 35 b. "Political subdivision" means the same as defined in

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- 1 section 145A.2.
- 2 c. "Voice over internet protocol service" means an internet
- 3 protocol-enabled service that facilitates real-time, two-way
- 4 voice communication that originates from, or terminates at, a
- 5 user's location and permits the user to receive a call that
- 6 originates from the public switched telephone network and to
- 7 terminate a call on the public switched telephone network.
- 8 2. Notwithstanding any other provision of law to the
- 9 contrary, a department, agency, board, or political subdivision
- 10 of the state shall not regulate, by rule, order, or other means
- 11 directly or indirectly, the entry, rates, terms, or conditions
- 12 for internet protocol-enabled service or voice over internet
- 13 protocol service.
- 3. This section shall not be construed to affect, modify,
- 15 limit, or expand any of the following:
- 16 a. The authority of the attorney general to take any action
- 17 pursuant to chapter 537 or section 714.16.
- 18 b. The application or enforcement of any law that is
- 19 intended to have general application to the conduct of business
- 20 in this state.
- 21 c. Any obligation under section 251 or 252 of the federal
- 22 Telecommunications Act of 1996.
- d. Any authority of the board over wholesale
- 24 telecommunications services, rates, agreements,
- 25 interconnection, providers, or tariffs.
- 26 e. Any authority of the board to address or affect the
- 27 resolution of a dispute regarding intercarrier compensation.
- 28 f. Any authority of the board, in accordance with state and
- 29 federal law, to assess voice over internet protocol service for
- 30 any of the following:
- 31 (1) Surcharges for 911 emergency services under section
- 32 34A.7.
- 33 (2) Assessments for dual party relay service under section
- 34 477C.7.
- 35 (3) Direct costs under section 476.10 and a share of

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- 1 remainder assessments that reflect the service's lesser degree 2 of regulation.
- 3 Sec. \_\_\_. <u>NEW SECTION</u>. **476.95A** Annual registration for 4 telecommunications service providers.
- 5 l. A provider of telecommunications service, as defined in
- 6 section 476.103, offering telephone numbers to retail customers
- 7 in this state shall register annually with the board.
- 8 2. An applicant shall complete an application for
- 9 registration on a form provided by the board. The form shall
- 10 include contact information, the approximate number of service
- 11 lines provided in the state, and any other information deemed
- 12 necessary by the board.
- 3. Within five business days of the receipt of a completed
- 14 application for registration, the board shall issue a
- 15 nonexclusive acknowledgment of compliance with this section.
- 16 The acknowledgment shall authorize the registrant to obtain
- 17 telephone numbers, interconnect with other telecommunications
- 18 service providers, cross railroad rights-of-way pursuant to
- 19 section 476.27, and provide telecommunications service in this
- 20 state. An acknowledgment may be transferred by filing a new
- 21 or updated registration form.
- 22 4. A registrant shall submit to the board corrections
- 23 to the information supplied in the registration form
- 24 within a reasonable time after a change in circumstances,
- 25 which circumstances would be required to be reported in an
- 26 application for registration form.
- 27 5. Refusal to file and maintain an annual registration
- 28 pursuant to this section is a violation of this chapter and
- 29 may subject a telecommunications service provider to a civil
- 30 penalty pursuant to section 476.51.
- 31 6. Notwithstanding this subsection, the board shall
- 32 continue to recognize the validity of, and the rights conferred
- 33 upon, a certificate of public convenience and necessity issued
- 34 to a telecommunications service provider by the board prior to
- 35 July 1, 2018.

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- 1 Sec. . NEW SECTION. 476.95B Applicability of authority.
- The board may exercise any powers reserved or delegated
- 3 to the state by the federal Telecommunications Act of 1996
- 4 or any other federal law, rule, or order thereunder, and may
- 5 hear and resolve any dispute arising thereunder, including but
- 6 not limited to intercarrier compensation, interconnection, and
- 7 number portability.
- 8 2. In proceedings under 47 U.S.C. §251-254, the board
- 9 shall allocate the costs and expenses of the proceedings to
- 10 persons identified as parties in the proceeding who are engaged
- ll in or who seek to engage in providing telecommunications
- 12 service or other persons identified as participants in the
- 13 proceeding. The funds received for the costs and the expenses
- 14 shall be remitted to the treasurer of state for deposit in the
- 15 department of commerce revolving fund created in section 546.12
- 16 as provided in section 476.10.
- 17 Sec. . Section 476.102, subsection 2, paragraph d, Code
- 18 2018, is amended to read as follows:
- 19 d. The plan should be based on other principles as the board
- 20 determines are necessary and appropriate for the protection of
- 21 the public interest, convenience, and necessity and consistent
- 22 with the purposes of sections 476.95 through 476.101 and this
- 23 section.>
- 24 8. Page 4, after line 34 by inserting:
- 25 <Sec. . Section 477A.3, subsection 1, paragraph f, Code</p>
- 26 2018, is amended to read as follows:
- 27 f. Documentation that the applicant possesses sufficient
- 28 managerial, technical, and financial capability to provide
- 29 the cable service or video service proposed in the service
- 30 area. An applicant or its subsidiary which has been issued
- 31 a certificate of public convenience and necessity to provide
- 32 telephone service pursuant to section 476.29 shall be exempt
- 33 from the provisions of this paragraph.
- 34 Sec. \_\_\_. Section 477C.7, Code 2018, is amended to read as
- 35 follows:

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- 1 477C.7 Funding.
- The board shall impose an annual assessment to fund the
- 3 programs described in this chapter upon all telecommunications
- 4 wireless carriers and wire-line local exchange carriers
- 5 providing telecommunications service in the state in the amount
- 6 of three cents per month for each telecommunications service
- 7 phone number provided in this state.
- 8 2. The total assessment shall be allocated as follows:
- 9 a. Wireless communications service providers shall be
- 10 assessed three cents per month for each wireless communications
- 11 service number provided in this state.
- 12 b. (1) The remainder of the assessment shall be allocated
- 13 one-half to local exchange telephone utilities and one-half to
- 14 the following:
- 15 (a) Interexchange carriers.
- 16 (b) Centralized equal access providers.
- 17 (c) Alternative operator services companies.
- 18 (2) The assessment shall be allocated proportionally based
- 19 upon revenues from all intrastate regulated, deregulated, and
- 20 exempt telephone services under sections 476.1 and 476.1D.
- 21 3. 2. The telecommunications carriers entities subject
- 22 to assessment shall remit the assessed amounts quarterly to a
- 23 special fund, as defined under section 8.2, subsection 9. The
- 24 moneys in the fund are appropriated solely to plan, establish,
- 25 administer, and promote the relay service and equipment
- 26 distribution programs.
- 27 4. 3. The telecommunications carriers entities subject to
- 28 assessment shall provide the information requested by the board
- 29 necessary for implementation of the assessment.
- 30 5. 4. The Wire-line local exchange telephone utilities
- 31 carriers shall not recover from intrastate access charges
- 32 any portion of such utilities assessment imposed under this
- 33 section.>
- 34 9. Page 8, after line 9 by inserting:
- 35 <Sec. \_\_\_. Section 714H.4, subsection 1, paragraph d, Code</pre>

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- 1 2018, is amended to read as follows:
- 2 d. The provision of local exchange carrier telephone service
- 3 pursuant to a certificate issued under section 476.29.
- 4 Sec. REPEAL. Sections 476.11, 476.57, 476.96,
- 5 476.100, and 476.101, Code 2018, are repealed.>
- 6 10. By renumbering as necessary.

By PETTENGILL of Benton

H-8142 FILED FEBRUARY 28, 2018

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- 1 Amend House File 2455 as follows:
- 2 l. Page 14, after line 1 by inserting:
- 3 <Sec. . Section 508.25, Code 2018, is amended to read as
- 4 follows:
- 5 508.25 Policy forms approval.
- 6 It shall be unlawful for any insurance company transacting
- 7 business within this state, under the provisions of this
- 8 chapter, to write do any of the following:
- 9 1. Write or use any form of policy or contract of insurance,
- 10 on the life of any individual in this state, until a copy
- 11 of such form of policy or contract has been filed with and
- 12 approved by the commissioner of insurance.
- 2. Fail to provide at least thirty calendar days' advance
- 14 written notice, by certified mail to a policyholder's last
- 15 known address, prior to a change in the policyholder's premium
- 16 for the policyholder's universal life policy or contract.
- 3. Terminate a policyholder's coverage for failure to pay
- 18 a premium for the policyholder's universal life policy or
- 19 contract if notification pursuant to subsection 2 is not given
- 20 to the policyholder.>
- 21 2. Title page, by striking lines 1 and 2 and inserting <An
- 22 Act relating to transactions and notifications by domestic
- 23 stock insurers and life insurance companies.>
- 3. By renumbering as necessary.

By STAED of Linn

<u>H-8149</u> FILED FEBRUARY 28, 2018

- Amend the amendment, H-8001, to Senate File 475, as amended,
- 2 passed, and reprinted by the Senate, as follows:
- 3 l. Page 12, after line 24 by inserting:
- 4 < DIVISION
- 5 FINANCIAL LITERACY
- 6 Sec. . Section 256.11, subsection 5, Code 2018, is
- 7 amended by adding the following new paragraph:
- 8 NEW PARAGRAPH. k. One-half unit of personal finance
- 9 literacy. All students shall complete at least one-half unit
- 10 of personal finance literacy as a condition of graduation. The
- 11 curriculum shall, at a minimum, address the following:
- 12 (1) Savings, including emergency fund, purchases, and
- 13 wealth building.
- 14 (2) Understanding investments, including compound and
- 15 simple interest, liquidity, diversification, risk return
- 16 ratio, certificates of deposit, money market accounts, single
- 17 stocks, bonds, mutual funds, rental real estate, annuities,
- 18 commodities, and futures.
- 19 (3) Wealth building and college planning, including
- 20 long-term and short-term investing using tax-favored plans,
- 21 individual retirement accounts and payments from such accounts,
- 22 employer-sponsored retirement plans and investments, public and
- 23 private educational savings accounts, and uniform gifts and
- 24 transfers to minors.
- 25 (4) Credit and debt, including credit cards, payday
- 26 lending, rent-to-own transactions, debt consolidation,
- 27 automobile leasing, cosigning a loan, debt avoidance, and the
- 28 marketing of debt, especially to young people.
- 29 (5) Consumer awareness of the power of marketing on buying
- 30 decisions including zero percent interest offers; marketing
- 31 methods, including product positioning, advertising, brand
- 32 recognition, and personal selling; how to read a credit report
- 33 and correct inaccuracies; how to build a credit score; how to
- 34 develop a plan to deal with creditors and avoid bankruptcy; and
- 35 the federal Fair Debt Collection Practices Act.

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- 1 (6) Financial responsibility and money management,
- 2 including creating and living on a written budget and balancing
- 3 a checkbook; basic rules of successful negotiating and
- 4 techniques; and personality or other traits regarding money.
- 5 (7) Insurance, risk management, income, and career
- 6 decisions, including career choices that fit personality styles
- 7 and occupational goals, job search strategies, cover letters,
- 8 resumes, interview techniques, payroll taxes and other income
- 9 withholdings, and revenue sources for federal, state, and local
- 10 governments.
- 11 (8) Different types of insurance coverage including
- 12 renters, homeowners, automobile, health, disability, long-term
- 13 care, identity theft, and life insurance; term life, cash
- 14 value and whole life insurance; and insurance terms such
- 15 as deductible, stop loss, elimination period, replacement
- 16 coverage, liability, and out-of-pocket.
- 17 (9) Buying, selling, and renting advantages and
- 18 disadvantages relating to real estate, including adjustable
- 19 rate, balloon, conventional, government-backed, reverse, and
- 20 seller-financed mortgages.
- 21 Sec. . EFFECTIVE DATE. This division of this Act takes
- 22 effect July 1, 2019.>
- 2. By renumbering as necessary.

By PETTENGILL of Benton

<u>H-8145</u> FILED FEBRUARY 28, 2018

- 1 Amend Senate File 2177, as passed by the Senate, as follows:
- 2 l. Page l, by striking lines 7 and 8 and inserting <secure</p>
- 3 internet connection, or other secure electronic contact method
- 4 designated by the consumer reporting agency. The consumer
- 5 must>
- 6 2. Page 1, by striking lines 22 through 25 and inserting
- 7 <on a nationwide basis, the consumer reporting agency shall
- 8 identify, to the best of its knowledge, any other consumer
- 9 reporting agency that compiles and maintains files on consumers
- 10 on a nationwide basis and inform consumers of appropriate
- 11 contact information that would permit the consumer to place,
- 12 lift, or remove a security freeze from such other consumer
- 13 reporting agency.>
- 3. Page 2, by striking lines 2 through 4 and inserting
- 15 < facsimile transmissions, the secure internet connection, or
- 16 other secure electronic  $\frac{\text{media}}{\text{contact}}$  contact method designated by the
- 17 consumer reporting agency. The consumer reporting agency shall
- 18 comply with>
- 19 4. Page 2, by striking lines 8 through 10 and inserting
- 20 <agency through facsimile, the secure internet, connection or
- 21 other secure electronic contact method <del>chosen</del> designated by the
- 22 consumer reporting agency, or the use of>
- 23 5. Page 4, by striking lines 1 and 2 and inserting:
- 24 <Sec. . Section 715C.1, subsections 1 and 5, Code 2018,</pre>
- 25 are amended to read as follows:
- 26 1. "Breach of security" means unauthorized acquisition,
- 27 or reasonable belief of unauthorized acquisition, of personal
- 28 information maintained in computerized form by a person that
- 29 compromises the security, confidentiality, or integrity of
- 30 the personal information. "Breach of security" also means
- 31 unauthorized acquisition of personal information maintained
- 32 by a person in any medium, including on paper, that was
- 33 transferred by the person to that medium from computerized
- 34 form and that compromises the security, confidentiality, or
- 35 integrity of the personal information. Good faith acquisition

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#### H-8150 (Continued)

- 1 of personal information by a person or that person's employee
- 2 or agent for a legitimate purpose of that person is not a
- 3 breach of security, provided that the personal information
- 4 is not used in violation of applicable law or in a manner
- 5 that harms or poses an actual threat to the security,
- 6 confidentiality, or integrity of the personal information.
- 7 5. "Encryption" means the use of an algorithmic process
- 8 pursuant to accepted industry standards to transform data into
- 9 a form in which the data is rendered unreadable or unusable
- 10 without the use of a confidential process or key.
- 11 Sec. . Section 715C.2, subsections 7 and 8, Code 2018,
- 12 are amended to read as follows:
- 7. This section does not apply to any of the following:
- 14 a. A person who complies with notification requirements or
- 15 breach of security procedures that provide greater protection
- 16 to personal information and at least as thorough disclosure
- 17 requirements than that provided by this section pursuant to
- 18 the rules, regulations, procedures, guidance, or guidelines
- 19 established by the person's primary or functional federal
- 20 regulator.
- 21 b. A person who complies with a state or federal law
- 22 that provides greater protection to personal information and
- 23 at least as thorough disclosure requirements for breach of
- 24 security or personal information than that provided by this
- 25 section.
- c. A person who is subject to and complies with regulations
- 27 promulgated pursuant to Tit. V of the federal
- 28 Gramm-Leach-Bliley Act of 1999, 15 U.S.C. §6801 6809.
- d. A person who is subject to and complies with regulations
- 30 promulgated pursuant to Tit. II, subtit. F of the federal
- 31 Health Insurance Portability and Accountability Act of 1996,
- 32 42 U.S.C. §1320d 1320d-9, and Tit. XIII, subtit. D of the
- 33 federal Health Information Technology for Economic and Clinical
- 34 Health Act of 2009, 42 U.S.C. §17921 17954.
- 35 8. Any person who owns or licenses computerized data that

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#### H-8150 (Continued)

- 1 includes a consumer's personal information that is used in
- 2 the course of the person's business, vocation, occupation,
- 3 or volunteer activities and that was subject to a breach of
- 4 security requiring notification to more than five hundred
- 5 residents of this state pursuant to this section shall give
- 6 written notice of the breach of security following discovery
- 7 of such breach of security, or receipt of notification under
- 8 subsection 2, to the director of the consumer protection
- 9 division of the office of the attorney general within five
- 10 business days after giving notice of the breach of security to
- 11 any consumer pursuant to this section.
- 12 Sec. \_\_\_. EFFECTIVE DATE. The following take effect January
- 13 1, 2019:
- 14 l. The section of this Act amending section 714G.2.
- 15 2. The section of this Act amending section 714G.3,
- 16 subsection 1.
- 17 3. The section of this Act amending section 714G.4,
- 18 unnumbered paragraph 1.>
- 19 6. Title page, line 2, after <and> by inserting <personal</p>
- 20 information security breach protection, and>
- 21 7. By renumbering as necessary.

By NUNN of Polk

H-8150 FILED FEBRUARY 28, 2018

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# **Fiscal Note**



Serving the Iowa Legislature Fiscal Services Division

HF 2343 – Statutory Construction, Explicit Delegation of Authority (LSB5734HV.1) Analyst: Christin Mechler (515.250.0458) <a href="mailto:christin.mechler@legis.iowa.gov">christin.mechler@legis.iowa.gov</a>
Fiscal Note Version – As amended and passed by the House

#### **Description**

<u>House File 2343</u>, as amended and passed by the House, prohibits State agencies from implementing or enforcing any standard, requirement, or threshold without clear authorization by statute, rule, or regulation. This includes any term or condition of a permit or license issued by an agency, unless the standard, requirement, or threshold is clearly required or permitted by a State statute, rulemaking adopted pursuant to lowa Code chapter <u>17A</u>, or federal statute or regulation, or is required by a court ruling, a State or federal executive order, a State or federal directive that would result in the gain or loss of specific funding, or a federal waiver.

#### **Background**

lowa Code section <u>17A.23</u>, relating to rulemaking construction and delegation of authority, states that a State agency shall only exercise the authority or discretion delegated or conferred upon the agency by law, and shall not expand or enlarge its authority or discretion beyond such delegated or conferred powers. Current law also states that this grant of rulemaking authority shall be construed narrowly, but provides no explicit prohibition on implementing or enforcing a rulemaking without authorization by statute, rule, or regulation.

### **Assumptions**

- Departments are currently constructing rulemakings that assist in the implementation of existing State programs that rely, in whole or in part, on federal funding.
- Due to the broad scope of the proposed legislation and the extensive amount of rulemakings housed in the lowa Administrative Code, it is not possible to determine the amount of time and cost a State agency may incur as a result of a complete review of the agency's rulemakings, and what effect the implementation of the proposed new legal standard may have on any associated State or federal funding.
- Under the current rulemaking process, State agencies work in cooperation with the Office of the Attorney General to construct individual rulemakings, relying on the Office to assist in matters of legal interpretation and enforcement.

#### Fiscal Impact

House File 2343, as amended and passed by the House, does not have a fiscal impact.

#### Sources

Department of Agriculture and Land Stewardship Department of Public Safety Legislative Services Agency

/s/ Holly M. Lyons
February 28, 2018

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.